technology. The main proposals were for diversification of trade to non-traditional products, further development of border trade, development of infrastructuie for bilateral trade, encouragement to exchange of business visits, encouragement to investment in each other's country, and exchanges in technology and projects including joint design and consultancy services.

During the visit of Chinese Vice-Minister for Metallurgical Industry H.E. Mr. Wu Xichun to India in July 1994, it was agreed to set up three working groups, in the areas of technical cooperation in the steel sector, iron ore and manganese ore, and on imports and expoits of steel products.

(c) During the visit of H. E. Mme Wu Xi, both sides signed a bilateral Trade Protocol, and held the Fifth Session of China-India Joint Group on Economic Relations and Trade, Science and Technology. The salient points of agreement were on finalisation of a mutually agreed list of trade items for 1994-95, adoption of practical measures to diversify bilateral trade, achieve trade balance and lift bilateral trade to a new level, promotion of exchange of business visits, extension of tlie border trade, fostering and expansion of economic cooperation especially in setting up joint ventures, and explore specific measures for cooperation in the neld of science & technology.

Misuse of Vabal Scheme

*171. SHRI SATYA PRAKASH MALAVIYA : Will the Minister of COMMERCE be pleased to state :

(a) whether Government's attention has been drawn to the news item that appear ed in the Times of India dated 29th November, 1994 regarding the misuse of the VABAL scheme, resulting in huge loss to the exchequer;

(b) whether it is a fact that inspite of the good intentions of Government intro ducing VABAL Scheme, tbe unscrupulous traders etc. have been misusing the whole scheme resulting in huge losses to the Government exchequer;

(c) whether it is also a fact that the industry had brought to the notice of Government the clandestine import of over 20,000 MT of PFY through misuse of polymer VABAL Scheme, resulting in a revenue loss of over Rs. 350 crores in the first half of the current financial year and a setback to the indigenous industry,

(d) whether Government have initiated investigations in order to ensure action against the guilty in the said unscrupulous activity and with what results; and

(e) if no action has been taken so far, the reasons therefor?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) Investigations so far have not reveal ed any large scale misuse of the VABAL Scheme.

(c) to (e) Government has come across a news report alleging huge losses of excise revenue as a result of duty free import of POY under fake documents and sale of the imported POY in domestic market inviolation of Excise Rules. Exchange transac tions under the Havala route have also been alleged. The specific case cited in the report is being investigated by the Directorate General of Foreign Trade.

Export of Flowers

*172. SHRI RAJUBHAIA. PARMAR: SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE :

Will the Minister of COMMERCE be pleased to state :

(a) whether there is a comprehensive plan to explore and exploit the export market for flowers;

(b) what is the result of the study, if any conducted about the export potential of different varieties of flowers to different countries; and

(c) what steps have been taken, infrastructure created and system evolved for optimum exploitation and utilisation of the export potential of flowers?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b) The Government of India had in 1988 set up an Expert Group on development of floriculture in the country which submitted its report in 1989. The terms of reference included identification of floriculture products having export potential and evolving policy measures to facilitate export production. Floriculture was also identified as an Exterme Focus Segment for development of exports. An extreme Focus Group constituted in this context lands Government studv also found good potential for the export of flowers like roses, carnations and chrysentbamum to West Europe, Hong Kong, Singapore, Japan and West Asia.

(c) Some steps taken to optimize export potential of the floriculture sector include :—

1 The Ministry of Agriculture as substantially stepped up outlays for enhancing production and productivity with the objective of generating exportable surpluses.

2. The plan quarantine procedures have been streamlined to facilitate exports